## The CFO Salary

Benchmark 202

How market disparities, remote work, and the gender pay gap

















A community by **SPENDESK** 











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## **Executive Summary**

After analyzing submissions from more than 800 finance professionals, there are a few clear takeaways.

#### Geographical differences

We still see significant differences between markets. French finance professionals earn meaningfully less than their peers in the UK, US, and Germany. Perhaps as a result, they are less happy with their compensation than their colleagues in other countries.

But UK salaries in particular have not grown at the same rate as other markets since 2021, including France. And German salaries have taken a major leap.

Overall, the US is in another league for finance compensation, with salaries growing 16% compared to 2021.

#### The gender pay gap persists

Men in finance teams earn 13% more on average than women. In some countries, this gap is as large as 30%.

Concerningly, men earn more than women even at the beginning of their finance careers. Yet despite this, men feel less fairly compensated than women overall.

#### Remote work

80% of finance professionals in our survey work either fully remote or with a hybrid office model. We see big differences between the US and Europe, with the former far more likely to embrace full remote work.

Women prefer to work remotely, and younger professionals like coming to the office. And fully remote workers earn more on average.

### Introduction

The 2022 CFO Salary Benchmark gathers compensation data for different finance roles, industries, company size and countries. To achieve this, CFO Connect surveyed more than 800 finance leaders, particularly focused on senior leaders and CFOs.

As the name suggests, the primary goal is to provide a salary benchmark for finance leaders. The report helps to set expectations for compensation packages across the finance function.

But the results also highlight trends and discrepancies between geographies, genders, and experience levels. While not surprising, these deserve attention from senior finance leadership.

We strive to promote fair and transparent pay across the finance industry. This report gives you the data and insights to make more informed, equitable compensation decisions.

Thank you to all survey participants for your input. Salary conversations can be touchy, even when anonymous, and your generosity has led to a truly robust and detailed benchmark report.

We look forward to updating this survey regularly, with new questions and insights as specific issues become important. Until then, we hope you find this edition useful.

# CFO Connect is the fastest-growing global community for finance leaders, with more than 8000 members. It's a space to meet and learn from each other, hosting regular meetups in Europe and the US, providing helpful content and valuable networking opportunities, online and offline. Join the community

## Methodology

This study was conducted with a representative sample of the CFO Connect community. More than 800 finance leaders in various roles were surveyed, with a significant majority at CFO, Head of Finance, and Finance Director levels.



The majority of respondents work in Europe, most notably France, Germany, and the United Kingdom. 70% are male, and roughly 50% of respondents have children.

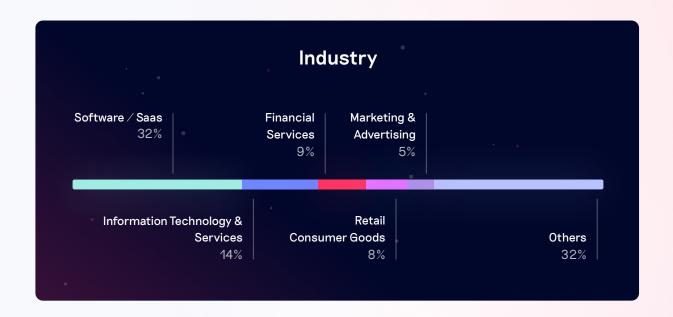






Most work in SMEs with fewer than 250 staff, and particularly in the software and IT industries. A large proportion are startups, with a majority of respondents working in companies younger than 10 years old.





Respondents were asked for their salaries in their own currency. Other currencies were then converted to euros (€) for consistency.

The survey was open for submissions during April and May 2022.

## Salary Overview

Before examining the CFO role in detail alongside other key topics of interest, this chapter sets out the state of play for finance compensation.

#### Salary differences across Europe are still significant

We see huge differences in how finance experts are paid across Europe, with salaries in France being by far the lowest in Middle and Northern Europe. In Germany, salaries are on average 30% higher, and in the UK 40.1% higher.

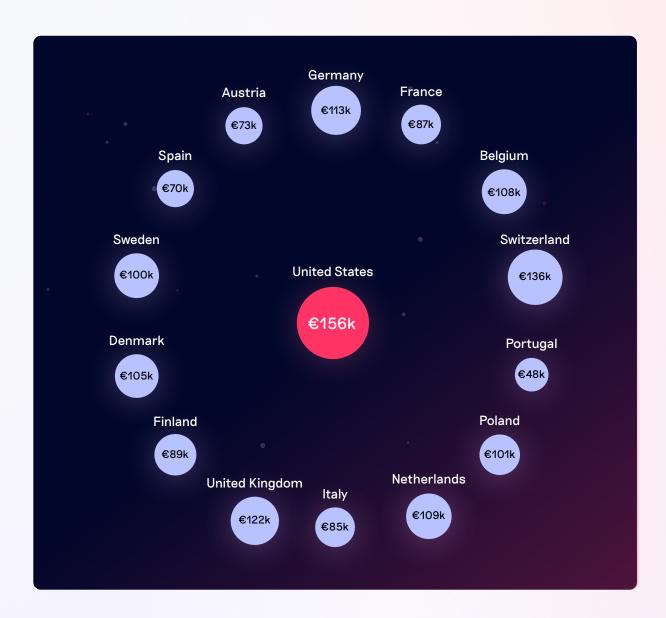


Compared with our 2021 report, the gap between mainland Europe and the UK has narrowed. Average salaries have increased in France (+5.5%) and Germany (+8.5%), versus a slight decrease in the UK (-2%).

Despite being lower than most northern neighbors, France offers higher average salaries than Italy, Austria, Portugal, and Spain.

#### US salaries far surpass Europe

Salaries in the US have increased drastically (+16% on average) compared with 2021. Despite rising salaries in some European countries, the average US salary is 43% higher than in the UK, the highest paying country in Europe.



#### More experience equals higher wages

While obvious, the data shows that age and compensation are directly related. Finance experts more than 30 years old earn double what those at the beginning of their career get. From the age of 40, finance leaders earn triple.



#### Company age and size also impact salary

Two further factors clearly correlate to increased salaries. First, older, more established companies tend to pay more:



Second, the number of employees makes a significant difference. And especially once companies surpass 250 full-time equivalents, salaries leap up quickly.



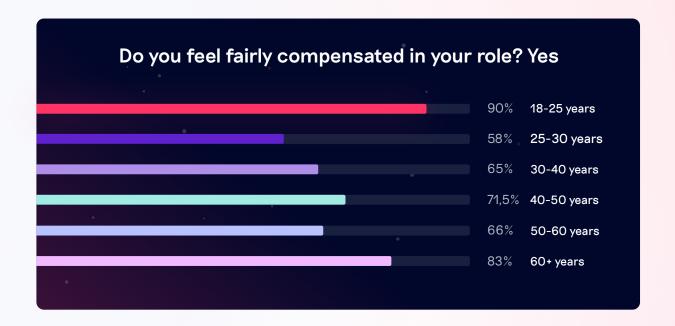
### Despite differences, most finance professionals feel satisfied

Having seen the varying salary levels across countries, age groups, and company sizes, we want to know how finance leaders feel about their levels of pay. Overall, 65.4% of respondents felt that they were compensated "fairly" in their roles.

And while we do see some variation between countries, the overwhelming response is positive.



Interestingly, the youngest employees are the most satisfied. 90% of respondents aged 18-25 feel fairly compensated. This is despite earning the lowest salaries on average.



This age discrepancy leads to a few possible conclusions:

- **1 -** 18-25 year old finance professionals are well compensated relative to their peers in other industries. In other words, junior and entry level finance positions pay well.
- **2** Those junior and entry level positions likely have consistent salaries across companies and industries. Senior salaries can fluctuate more wildly, which leaves some earning significantly less than their peers.
- **3** As a result, senior finance professionals may know peers earning higher salaries for roughly the same job.
- **4 -** Overall, some senior finance professionals don't feel that their salary grows at the same rate as their level of experience or value to the company.

But as stated above, the vast majority feel that they're fairly compensated.

## A Closer Look at CFO Salaries

In this chapter, we examine specific results and takeaways related specifically to CFOs and senior leaders surveyed.

#### Finance salaries reflect seniority

Predictably, finance salaries increase considerably as staff progress through the ranks. As we saw in the previous chapter, young employees earn on average a third of those aged 40 or older.

Similarly, the gap between junior and senior job roles is large, with the average VP of finance earning three times that of the average accountant.

| Average annual salary per role |          |                        |          |  |  |
|--------------------------------|----------|------------------------|----------|--|--|
| VP Finance                     | €152,500 | CFO .                  | €134,500 |  |  |
| Director of Finance            | €118,000 | Head of Controlling    | €108,500 |  |  |
| Head of Finance                | €87,500  | Senior Finance Manager | €87,000  |  |  |
| Financial Controller           | €84,500  | Head of Accounting     | €77,000  |  |  |
| FP&A Manager                   | €67,500  | Finance Manager        | €56,000  |  |  |
| Accountant                     | €53,500  |                        |          |  |  |

#### CFO salaries span a wide range

Job titles aren't always used consistently, especially across different countries. Startups and companies in certain industries may also use titles that don't match the standard norm. Our survey let respondents choose from a list.

We know that the CFO is often the first full-time finance employee in startups, for example. So it's not necessarily a case of CFOs working their way up the salary ladder - it's a question of leverage and negotiations.

Respondent CFOs' salaries span an enormous range. Our lowest CFO salary is €30,000 - a small company in Spain. The highest is €700,000 - a US company with 251-500 staff.

We also wouldn't normally expect a VP of finance to earn more than a CFO - the latter is usually higher on the career ladder. But again, the CFO role and salary is highly variable. 39% of CFOs surveyed earn less than €100,000 per year, while only 18% of VPs of finance earn less than this.

#### French CFO salaries have grown, but still lag behind

We saw in 2021 that French senior leadership salaries (CFO / VP / Heads) were 26% lower than their German counterparts, and 51.5% lower than in the UK. And while French CFO salaries have grown 15% compared with last year, they're still a long way behind these other markets.



French CFOs earn on average 51% less than their colleagues in Germany, and 56.5% less than in the UK. Even compared with the rest of Europe, France is just competitive.

But the US market continues to leave European salaries miles behind.

#### American CFO salaries are higher than ever

CFO salaries grew a modest 1% in the UK and 15% in France. But in the US, they grew 16% since 2021, and the average CFO salary is more than 2x that of their French peers.

The salary floor is also much higher in the US. Only 5% of American CFOs earn below €100,000. In France, more than 50% earn below €100,000, and in Germany it's 22.2%.

#### Senior CFOs can earn double their younger peers

As we've seen, age directly impacts compensation. This is especially true for the CFO role. CFOs aged 40 or older on average earn more than double of their colleagues younger than 30.



#### CFOs earn more in older companies

Both in 2021 and this year, we see a consistent correlation between a company's age and size and the compensation for finance staff.

This is true for most roles, but for CFOs the difference is even bigger. A CFO in a company founded 10 or more years ago earns almost double compared to those in companies two years old or younger.



**Note:** Participants were asked for their finance experience, not the time spent in a particular role.

#### CFOs feel fairly compensated

Just as we saw with finance professionals overall, CFOs are generally satisfied with their salaries. 67.5% of CFOs feel fairly compensated, which is slightly above the overall level.

"I believe every CFO role is different, and every organization needs something possibly different from their CFO. It's about focusing on what you love doing, and choosing organizations for which you've a real passion. That's how you will achieve success in a way that you truly love, and it feels exciting."



#### Catherine Clark

Executive Mentor, CFO and Director, Cristallum

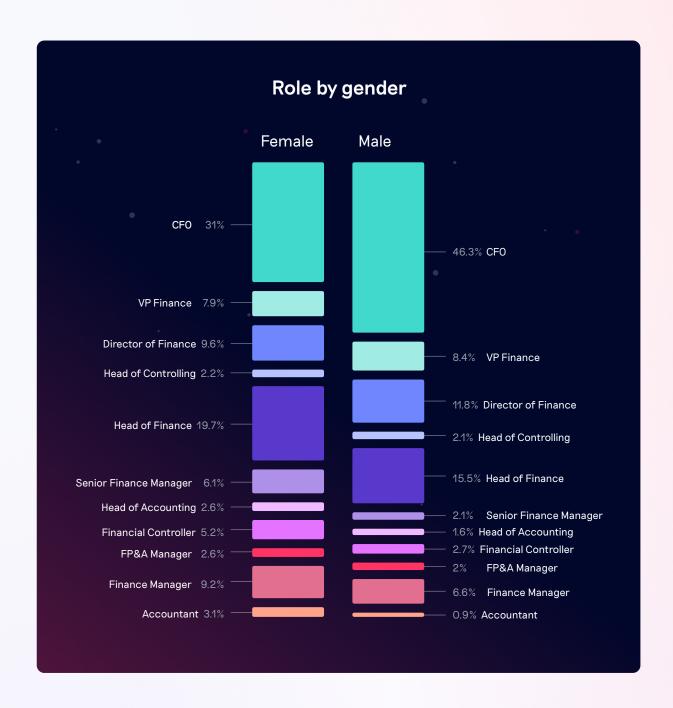
## Gender and Finance Compensation

This year we asked respondents for their gender for the first time. The gender pay gap continues to be an important issue worldwide, and we want to see if and how it is reflected in finance salaries.

First, a brief look at gender representation in the finance profession. The majority of respondents to our survey are male.



We also see that a higher proportion of men in our survey are CFOs, although overall this report is built on responses from more senior finance professionals.

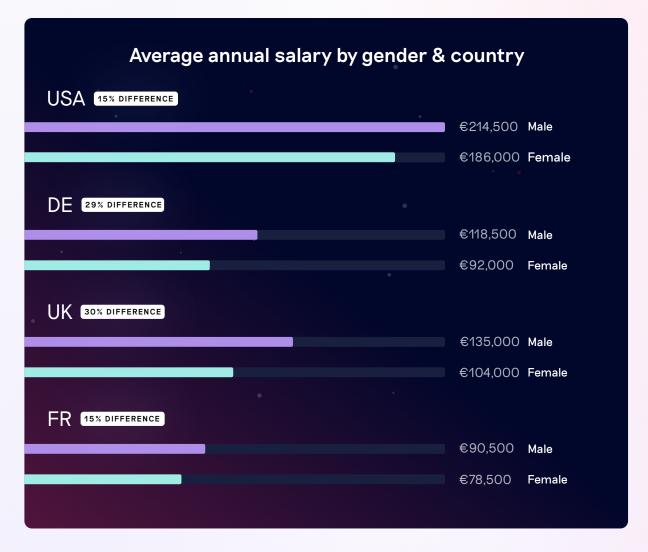


**Note:** The values above are shown as a percentage of each gender group, not based on the role. In other words, 31.9% of women in our survey are CFOs, but only 21.9% of all CFOs in our survey are women.

#### The gender pay gap certainly exists

Overall, male finance professionals earn 13% more than women. But in some countries the gap is larger – most notably the UK & Germany.





"There's the topic of salary negotiation - women are often very shy about that. So, I help them find arguments. I tell some women, when they apply at omni:us, that what they're asking for is ridiculous. A lot of women stop at a certain point in the process because they're afraid of not getting the job, or getting fired. If you are good at what you do, it will never cost you the role."



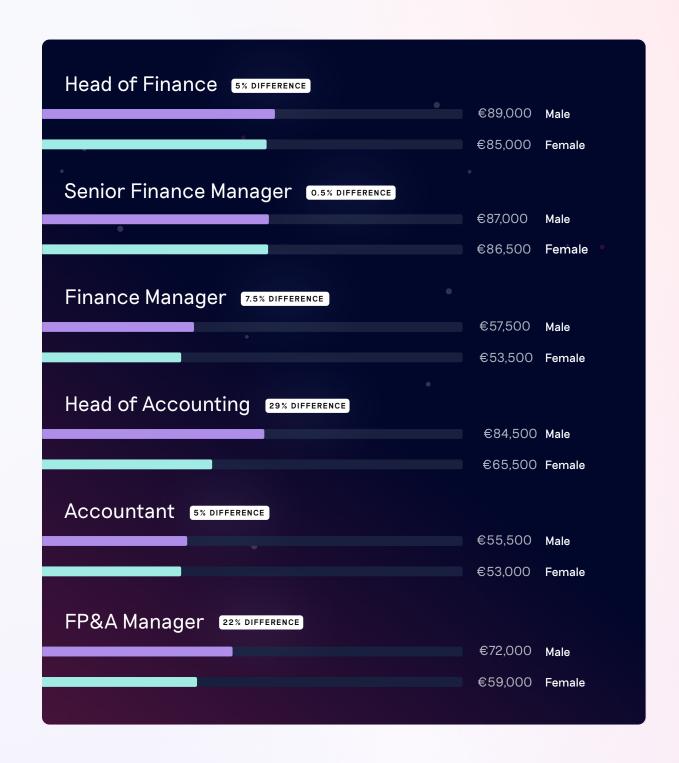
Jana Ludwig-Martyushev
VP Finance, Omni:us

#### The gap is larger in certain roles

Some finance roles see a much narrower pay gap between genders. Senior leadership roles like VP Finance or CFO see average salaries far more closely aligned than the average.

But there are still big gaps for some roles, such as FP&A Manager or Head of Accounting.





#### The pay gap exists from the start

We already see a significant pay disparity among our youngest respondents. Women ages 25-30 earn 24% less than their male counterparts.



Interestingly, the gap appears to decrease significantly between ages 30-40, and then widen again from 40-50.

#### Family status doesn't impact salary

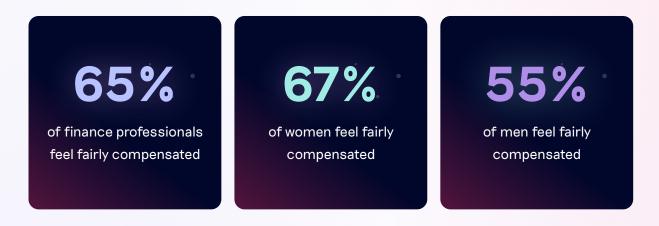
The decision to have children doesn't seem to have an impact on the gender pay gap. In fact, for finance professionals with children the gap is smaller than for those without.

In general, compensation is much higher for those respondents with children. But that's almost certainly linked to age and seniority. Younger workers are less likely to have children, but also less experience.

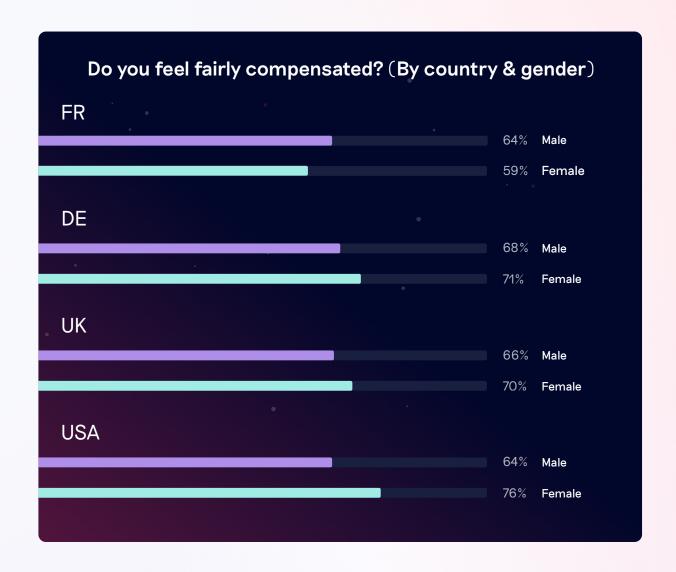


#### Men feel less fairly compensated

We saw that 65.4% of all finance professionals surveyed feel fairly compensated. And we know that women are paid less than men across the board. But this is not reflected in the levels of satisfaction with their compensation.



If we look at specific countries, we can see that women in France are much less happy with their compensation than the overall average, and that men across all of the major countries are quite happy compared to the global average.



"Your leadership team should be a representative sample of your customers, and all of your employee base as well. However, to get more women at the table, we need to make space for different types of personality and decision-making leadership styles. It's hard if you're a working parent, or if you've other competing priorities, whether it's children or taking foreign language classes or whatever.

It's all about pulling women up and encouraging them along the way."



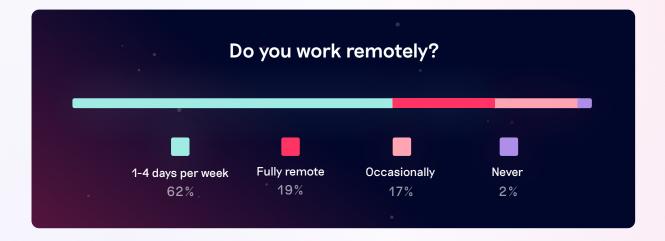
Heather Dixon
CFO, Everside Health

### Remote Work

During the COVID-19 pandemic, finance teams struggled to adjust to a life without physical access to files, resources, and each other. But more than two years have passed since the first lockdowns. So how have workplace cultures changed?

For now, there's no sign of a return to full-time office work for finance teams. Only 2% of survey respondents work in the office every single day. Another 17.5% choose to work remotely on occasion.

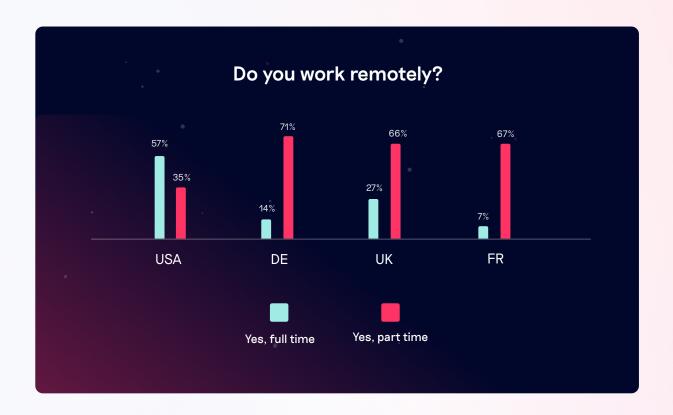
The majority (61.5%) use a hybrid office model, with at least a few days of remote work each week. And the largest minority group (19%) work fully remote.



#### US finance teams are majority remote

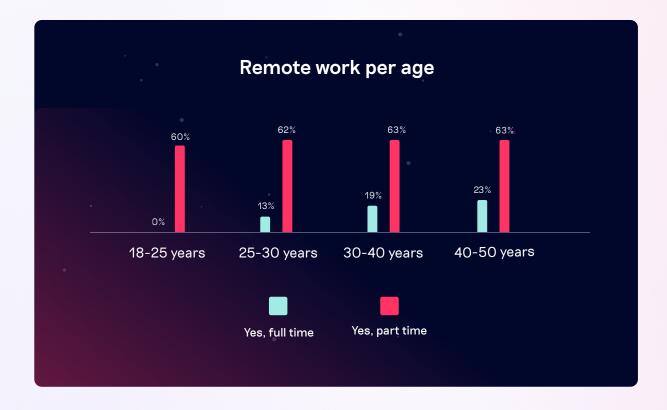
We do see big differences between countries. The majority of finance professionals operate on a hybrid model, and very few European finance teams are fully remote.

But in the US, the default choice for our respondents is full remote work.



#### Younger workers spend more time in the office

Whether by choice or team policy, very few finance staff under 30 work fully remote.

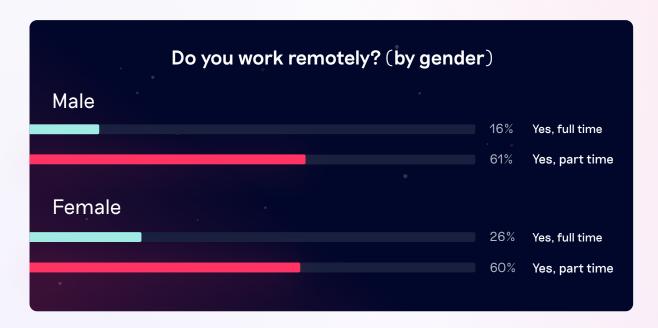


This may be counterintuitive. Some may assume that young professionals are more likely to enjoy the flexibility of remote work. But the older finance professionals are, the more likely they are to work fully remote. There are a range of possible explanations for this, including:

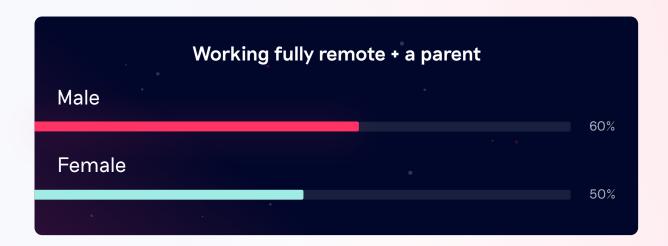
- 1 Younger professionals may not have built the trust and skillset to work confidently from afar. In the office, they have easier opportunities for mentorship and coaching, both within the finance team and the wider company.
- **2** Younger workers may also prefer the office. Older professionals may have families and established social circles, and don't crave the social aspect of the office as strongly. For younger finance staff, work is a place to socialize and build relationships.
- **3** They also have less control over their own working circumstances. If company (or team) policy is against full remote work, they have little power to change this.

#### More women work fully remote

Interestingly, women are much more likely to work fully remote.



Could this be related to parenthood status? Our survey didn't find a clear correlation here, and the percentage of men working fully remote with kids is actually higher.



#### Remote workers earn more

Whether by correlation or pure coincidence, the fully remote workers in our sample are also on average the best paid.



This is interesting given the conversation around whether pay should relate to cost of living. We're not indicating that fully remote workers in our survey live in cities with low costs of living, but it's possible.

The most likely link between remote work and pay is seniority. We know that older workers earn more, and they're also more likely to work remotely.

The other clear connection is geography. Finance professionals in the US earn more than their European counterparts, and our survey found them to work remotely as a majority.

"Companies that don't enable remote, or are not remote first, have a significant disadvantage. I can hire the best folks in the world! My team is spread from San Francisco to Eastern Europe. How can someone that is office-based and can only hire from their postcode do that? There's a lot of talent scarcity, so not enabling remote is a critical disadvantage in the long run."



Pedro Barros
VP of Finance, Remote

### **Added Extras**

The fixed salary doesn't always tell the full compensation story, especially in young tech companies. This chapter looks into perks like company equity, bonus schemes, and other benefits like a gym allowance or learning & development budgets.

#### **Equity is still a fixture**

Equity has become a common part of compensation packages. 58.5% of the respondents in our survey receive shares (or stock options) in their company. Interestingly, this number is lower than the 2021 figure of 65%.

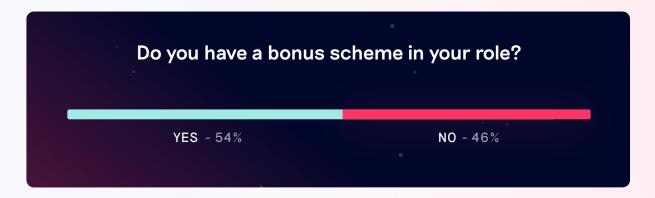
We see differences between countries, however. Giving out equity to employees is less common in Germany and France than the US and the UK.



We can also see that this is more common for higher levels and people that already have a higher fixed salary. So it is not always true that stock options are mainly used by startups as a perk to make up for comparably low fixed salaries.

#### Bonus

Bonus schemes are also a common perk of compensation packages in finance. Again, this is especially true for higher levels and already higher fixed salaries.

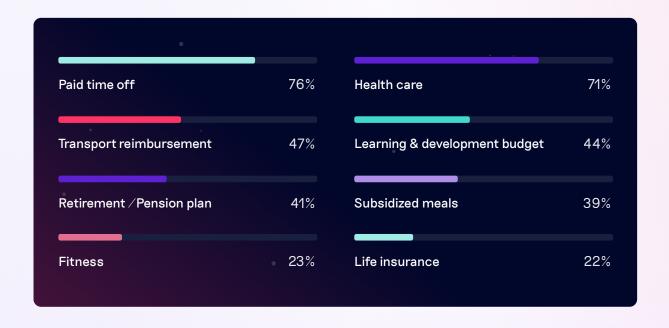


And we can see differences between countries as well. In Germany, a bonus scheme is much less common than in France, the US, or the UK.



#### **Further benefits**

There are lots of other benefits to consider in compensation packages, and these tend to vary widely between countries. This is likely due to cultural and structural differences.



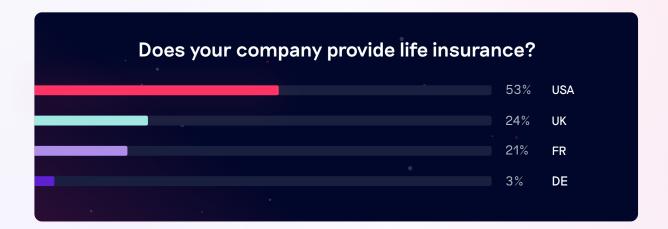
#### Retirement and pension plans

These are much more common in anglophone countries, probably because Germany and France are known to have good state pension systems.



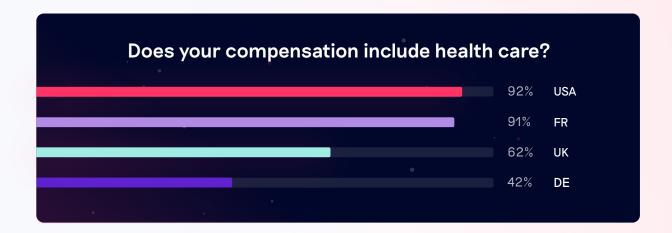
#### Life insurance

The majority of US compensation packages come with life insurance. This is less common in Europe, and is almost unheard of in Germany.



#### Health care

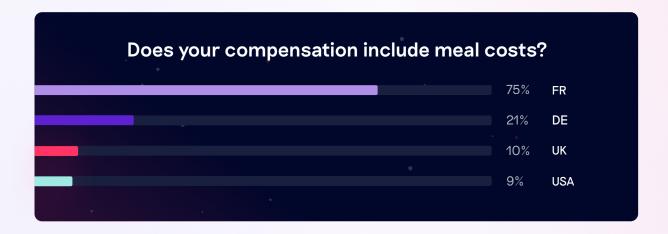
Health care is provided by nearly all employers in the US, due to the lack of universal health care. In France, most employers provide a second insurance (the so-called "mutuelle") to upgrade the publicly-offered benefit ("assurance maladie"). In Germany, public health care is mandatory and mostly sufficient, so employers tend not to offer further compensation.



#### **Transport and meals**

Transport reimbursements and subsidized meals are very common in France, and in fact mandatory for most companies. In other countries - especially the UK - these are very uncommon.





#### **Fitness**

Gym allowances are mostly uncommon, but more common in Germany than other markets.



#### Learning & development

German finance teams also profit most from learning & development budgets, as do their colleagues in the US & the UK. This is relatively uncommon in France.



"There's a shrouded cliche about what finance is, as if finance teams are only looking into budgets, ways to increase revenue etc, but not worrying about anything else. It's up to us, as finance leaders, to ensure our organization is being a good steward of the money we receive. In the end, the impact comes from organization and your people, because no policy will ever be enough if no one follows, we're all actors of change."



#### Cyra Copeland

Director of Finance, Creative Commons

## Conclusion

This report is not designed as a policy document or strategy whitepaper. It simply aims to shed light on the state of finance team salaries today.

But certain results, while predictable, should be cause for concern and further scrutiny. Most notably, these are:

A persistent gender pay gap, where male finance professionals earn 13% more on average than their female peers.

A clear pay gap among younger finance professionals, which shows that the playing field is uneven from the start.

**Significant differences between market rates**, particularly in France. With fewer geographical constraints (and more remote work possibilities), French companies risk <u>losing their best talent</u> to higher paying countries.

Wage growth in the UK has stalled, even compared with France. Germany and the US have seen significant wage growth.

Despite these warning signs, finance professionals feel overall satisfied with their compensation. As long as leaders continue to acknowledge and address these challenges, the profession seems in good shape.

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